

Monthly commentary / 30.4.2026

Vontobel Fund – Global High Yield Bond

Marketing document for institutional investors in: AT, CH, DE, ES, FR, GB, IT, LI, LU, SE, SG (Professional Investors only).

Market developments

In April, markets remained highly sensitive to headlines about the Middle East, but the month ultimately delivered a strong rebound in risk assets after March's sell-off. The Iran conflict showed no clear path to resolution and kept oil prices elevated and volatile. Brent briefly traded above USD 120 per barrel intraday for the first time since 2022, which fanned stagflation concerns and pushed inflation expectations higher. Still, equities rallied, as did credit spreads: the S&P 500 Index rose +10.5% in total return terms, while the iTraxx Xover Index tightened by -67 basis points (bps). Emerging-market (EM) equities also saw a powerful rebound (MSCI EM +14.7%), reflecting both improved risk appetite and a softer dollar backdrop. Oil volatility accompanied investors throughout the month. Markets rallied until April 17, when Brent fell below USD 90 per barrel, its lowest level of the month, while the S&P 500 reached a new record high, and credit reached its tightest point of the month. However, the relief ended up being short-lived. The two-week ceasefire extension on April 21 did not lead to concrete progress, talks were reportedly cancelled later in the month, and headlines turned more negative again. By month-end, Brent had climbed back to USD 114 per barrel. Inflation remained the key transmission channel from geopolitics into markets. The US 1-year inflation swap rose +22bps to 3.42%, while the EUR 1-year inflation swap jumped +44bps to 3.81%. Hard data reinforced inflation fears: US March CPI printed +0.87% month on month, the highest since June 2022, and Eurozone April flash CPI moved up to 3.0%. Central bank pricing hence turned more restrictive. First, with the US Federal Reserve (Fed) holding rates and dissenting voices within the Fed Board emerging against the easing bias. Second, with European Central Bank (ECB) officials showing more concerns about inflation, and the prospect of a possible rate hike in June if energy conditions do not ease. Sovereign yields consequently rose further, reaching multi-year highs across Europe and Japan (Bund 10Y above 3.1%, Gilts 10Y above 5.0%, and JGB 10Y above 2.5%), while US yields rose more moderately (10Y +5bps to 4.37%). Despite the higher rates, equities shrugged off the stagflation narrative, primarily due to Q1 2026 earnings, which have been stronger than initially feared.

Regional Markets

In fixed income and credit markets, April saw a sharp reversal of March widening, as spreads tightened meaningfully across the board. High-yield (HY) bond yields posted their strongest

gains since June 2025 alongside a surge in equity markets as investors anticipated a resolution to the conflict in the Middle East. Performance was buoyed by a strong start to the earnings season, resilient economic data, and sizeable retail inflows into US HY. Total returns for US HY rebounded from April and provided a +1.70% gain in April (in USD). Lower-rated credits experienced the largest gains, while the best-performing sectors were media financials, and retail. Performance was less strong within cable TV, technology, and leisure. The US HY bond index finished the month with a yield of 7.02%, a decrease of -42bps from the prior month. Overall credit spreads tightened considerably by -45bps to finish the month at an option-adjusted spread (OAS) of 283bps. In terms of spread changes by ratings bucket, Triple Cs tightened the most by -85bps, followed by Single Bs (-50 bps) and Double Bs (-34 bps). US HY primary issuance of USD 44 billion represented a 7-month high, including the heaviest net volumes since April 2020. The European HY market returned +1.9% for the month, outperforming the US HY market. The monthly performance was driven by overall spread tightening of -57bps to end the month at 280bps. In terms of spread changes by ratings bucket, Double Bs tightened by -37bps followed by Single Bs (-95 bps) and Triple Cs (-194 bps). Sterling HY returned 1.8% (in GBP) for the month and OAS spreads tightened by -35bps to 453bps. EM HY generated a solid positive total return for the month of April of +2.8% (in USD) while OAS spreads tightened by -64bps to 336bps.

Portfolio review

Trading in the portfolio focused on adding risk within European hybrids, EM, and European HY. We participated in various new issues, including a USD-denominated bond for an energy producer focused on the UK North Sea. We aim to stay nimble given continued uncertainty surrounding the Middle East conflict and its potential impact on global economies, coupled with credit spreads that have narrowed considerably and finished the month only +2bps wider from year-end 2024 levels.

Performance analysis

For the month of April, the fund generated a positive total return of +1.6% (in EUR) but underperformed the benchmark after fees. On a year-to-date basis, the fund's total return still exceeds the total return of the benchmark. The monthly relative performance benefitted from positive performance of various bonds that are outside of the benchmark within EM and

EU hybrids along with overweight positions within many sectors, including EU telecom, EU chemicals, and US retail. Given the strong performance of the market this month, credit hedge positions were a headwind to performance. These hedges were reduced earlier in the year but still remain prudent given current tight credit spreads amid a volatile macroeconomic backdrop. The fund also experienced negative relative performance from bonds within the benchmark that did well but are not held in the fund. Overall, we remain satisfied with the overall quality and sector mix of the fund as we enter the month of May.

Outlook

The events in the Middle East continue to loom over markets, although the fragile ceasefire in the region has allowed risk assets to rally sharply. Global PMIs remain consistent with an economy still in expansion, but inflation has become a more visible concern since the Iran conflict and the renewed uncertainty around the Strait of Hormuz. The key point, however, is that this inflation shock could reverse relatively quickly depending on how the Hormuz situation evolves.

Credit fundamentals remain a key anchor and are generally

stronger than expected. Corporate results in Q1 2026 have (so far) come in materially better than expected, and management guidance has been more supportive than markets had priced in, helping to offset part of the macroeconomic uncertainty. Balance sheets remain healthy, liquidity buffers are ample, and financial discipline remains broadly intact. The main medium-term pressure point remains the scale of AI-related investment. We do not view AI as a bubble given the cash-flow generation of the large players, but sustained capital expenditure and financing needs could gradually weigh on credit quality and spreads, increasing the risk of rating migration for some high-quality issuers over time.

Credit spreads seem well supported at current tight levels but there is a chance that credit spreads could widen in the second half if demand destruction materializes due to inflationary pressures. While we remain constructive in global HY, we value diversification across regions, sectors, and credit ratings with a clear understanding of the issuer and bonds that we hold in the fund. We stand ready to adjust this mix as macroeconomic dynamics shift, and idiosyncratic opportunities emerge.

Fund characteristics

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|------------------------|---|
| Fund name | Vontobel Fund – Global High Yield Bond |
| ISIN | LU0571066975 |
| Share class | I EUR |
| Reference index | Customized ICE BofAML High Yield Index (EUR hedged) |
| Inception date | 11.6.2012 |

Historical performance (net returns, in %)

| Time period | Fund | Ref. index | Time period | Fund | Ref. index |
|-------------|------|------------|-------------|--------|------------|
| MTD | 1.6% | 1.8% | 2025 | 4.3% | 5.8% |
| YTD | 1.5% | 0.4% | 2024 | 6.8% | 7.2% |
| 1 year | 5.8% | 5.5% | 2023 | 10.5% | 11.4% |
| 3 yrs p.a. | 6.6% | 7.0% | 2022 | -12.4% | -12.7% |
| 5 yrs p.a. | 2.2% | 2.4% | 2021 | 4.9% | 3.6% |
| 10 yrs p.a. | 3.0% | 3.5% | 2020 | 2.2% | 3.2% |
| ITD p.a. | 3.8% | 4.3% | 2019 | 10.2% | 11.1% |
| | | | 2018 | -6.1% | -4.3% |
| | | | 2017 | 5.0% | 5.5% |
| | | | 2016 | 8.2% | 12.3% |

Past performance is not a reliable indicator of current or future performance.

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Investment risks

- Securities with a lower credit quality means a higher risk that an issuer may fail to meet its obligations. The investment value may fall if an issuer's credit rating is downgraded.

- The sub-fund's investments may be subject to sustainability risks. Information on how sustainability risks are managed in this sub-fund may be obtained from vontobel.com/sfdr.

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